
Department of Transportation

Agency: 405

Audit Report: 2003 Statewide Accountability Report

Finding: 03-18

Finding Number: The Department of Transportation's controls over access to applications and data files on the mainframe computer are not adequate.

Resolution/Status: The Department appreciates the recommendations outlined by the State Auditor's Office. The corrective action plan for each recommendation is as follows:

The Department enabled temporary data set protection when it installed the newest release of ACF2. It was included as part of the migration plan to the new z/OS operating system in calendar year 2004. The system administrator has rights to TRAINS production libraries.

The Department has removed all access rights to TRAINS production libraries. However, future operations may require temporary access rights. The Department will limit access and will eliminate access when no longer required. The Department has established additional controls to mitigate future risks. The Department has begun the process of reducing the number of users with non-cancelable rights from eighteen to six. Mainframe technical support will be the only staff assigned User IDs with non-cancelable rights.

The Department has removed individual access to production program files, which was limited to one staff member who supports the system used to manage program files. The Department has migrated all update jobs to a job scheduler.

On February 11, 2004, the Department installed system improvements to address the issue of security over User IDs and passwords. User login to the mainframe is accepted to authenticate the user to the application.

On March 6, 2004, the Department installed system improvements to address the issue of separation of duties among users. The last user to update a document is no longer allowed to approve the documents within the system.

In November 2004, the State Auditors Office completed some additional review and determined all corrective action had been completed.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-22

Finding: The Department of Transportation paid nearly \$30 million to reimburse the developer of the Tacoma Narrows Bridge Project without gaining adequate assurance that the costs met contract terms and were actually incurred.

Resolution/Status: The Department appreciates the recommendations outlined by the State Auditor's Office. The Department has dedicated significant resources to the audit/review of payments made to United Infrastructure of Washington (UIW) in light of the legislative decision to change the Tacoma Narrows Bridge financing plan from a public/private to a public-financed initiative. The review of these agreements and expenditures dating back to 1994 and involving numerous sub-contractors nationwide has been a significant logistical challenge. The Department completed all its fieldwork in June 2004 and the final internal audit report will be issued in January 2005.

Further, if any costs previously reimbursed are found to be unallowable, the Department will aggressively seek reimbursement, consistent with the Department's standard operating procedures related to vendor payments.

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Department of Transportation

Agency: 405

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-30

Finding: The Department of Transportation's Washington State Ferries Division is not following state purchasing guidelines when buying from vendors deemed a sole source.

Resolution/Status: Washington State Ferries has instituted management review of all purchases made under G4 authority (sole source purchase authority) prior to approval. This review verifies that the justification of the G4 authority is consistent with Department guidelines. The review further verifies that clear and sufficient justification is included with documentation supporting each purchase.

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Department of Transportation

Agency: 405

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-41

Finding: The Department of Transportation's Washington State Ferries Division does not have adequate controls over ticket sales and revenue collection.

Resolution/Status: Washington State Ferries (WSF) is replacing the current point-of-sale receipting system with a comprehensive revenue collection system, which will strengthen control over ticket sales and revenue collection. This system will be implemented in less than two years. In the interim period, the WSF has strengthened controls by developing an internal audit function and by increasing emphasis on monitoring recorded transactions for indications of increased risk.

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Agency: 405

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-42

Finding: The Department of Transportation's Washington State Ferries Division made travel payments to employees in excess of contract amounts and lacked adequate controls over travel payments.

Resolution/Status: Washington State Ferries (WSF) requires all claims for payment to provide sufficient detail to support amounts paid, and continues to improve efforts to monitor for compliance. WSF has begun requiring each timesheet to include the employee's residence address. This allows for efficient verification that home terminal designations are correct on all timesheets. WSF has also begun development of a database query tool to report all high dollar amount travel payments, which will be used to direct internal audit resources.

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